

## Status of Audit Resolution

December 2001

Agency: 300

### Department of Social and Health Services

Audit Number	Finding Number
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6259	1	Finding:	The Department of Social and Health Services does not have adequate controls in place to prevent overpayments of Child Care program expenditures.
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Resolution/Status: The Department of Social and Health Services (DSHS) concurs with this repeat finding and has taken the following corrective action:

- ⌘ Developed and provided training to authorization staff on how to input eligibility and provider changes without causing multiple authorizations,
- ⌘ Created a monthly report designed to identify all concurrent payments made on behalf of a child in a given month,
- ⌘ Developed a new payment policy and developed business requirements for a system to standardize tracking attendance and payment,
- ⌘ Established procedures requiring monitoring of child day care provider payment reports to identify overpayments, and
- ⌘ Ensured supervisors perform regular case file reviews on a routine, scheduled basis.

DSHS will also:

- ⌘ Initiate a quality control project that will profile and sample at-risk billings to ensure payment accuracy, and
- ⌘ Develop new payment methodology and distribute for review and comment.

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Audit Number	Finding Number
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6259	2	Finding:	The Department of Social and Health Services' Division of Alcohol and Substance Abuse has not established sufficient internal controls over the federal Substance Abuse Prevention and Treatment Block Grant to ensure compliance with program requirements.
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Resolution/Status: The Department of Social and Health Services (DSHS) does not concur with this finding. However, DSHS has taken the following corrective action:

- ⌘ Retained all original Division of Alcohol and Substance Abuse (DASA) payment documents in the official contract file beginning January 2001,
- ⌘ Reviewed internal policies to ensure they include sufficient procedures for review of contract payments, processing program payments and monitoring subrecipient contracts. DASA will ensure staff that approve vendor or subrecipient payments are adequately trained on program requirements,
- ⌘ Ensured staff that approve vendor or subrecipient payments are adequately trained on monitoring requirements, and
- ⌘ Documented the independence of peer reviewers through a separate certification.

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6259	3	Finding:	The Department of Social and Health Services' Division of Child Support did not comply with regulations for allowable and allocable costs in the Child Support Enforcement program.
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Resolution/Status: The Department of Social and Health Services (DSHS) concurs with this finding and will implement the following corrective action:

- ☞ Moved charges for program specific committees to State only funding for the 99-01 Biennium,
- ☞ Reviewed payroll registers and journal vouchers to ensure that staff charges met applicable federal requirements,
- ☞ Reviewed manual adjustment documents periodically, and
- ☞ Provided training to accounts payable staff regarding costs that are and are not reimbursable from federal funds.

DSHS is in the process of training staff regarding the applicability of staff charges and, when appropriate, having staff complete time and effort reports.

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Audit Number	Finding Number		
6259	4	Finding:	The Department of Social and Health Services' Division of Child Support did not report its total federal Child Support Enforcement expenditures for the State of Washington's Schedule of Expenditures of Federal Awards.
		Resolution/Status:	The Department of Social and Health Services does not concur with this finding but will take the following corrective action:  <del>¶</del> Report Federal Expenditures as the total amount of Net Federal Share of Expenditures without any reduction for the amount of retained child support incentives.
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6259	5	Finding:	The Department of Social and Health Services' Medical Assistance Administration did not include a required federal component when it set maximum prices for multiple-source Medicaid prescription costs.
		Resolution/Status:	The Department of Social and Health Services partially concurs with this finding and has implemented the following corrective action:  <del>¶</del> Amended the payment-pricing algorithm to include Federal Upper Limits, and  <del>¶</del> Analyzed payment data, generated reports, identified overpayment and repaid the federal government.
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### Department of Social and Health Services

Audit Number	Finding Number
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6259

6

Finding:

The Department of Social and Health Services is not complying with subrecipient monitoring requirements for some of the federal programs it administers.

Resolution/Status: The Department of Social and Health Services (DSHS) does not concur with this finding. However, DSHS has implemented the following corrective action:

€# Developed and implemented procedures for monitoring all audit reports issued by the State Auditor's Office to ensure no major weaknesses exist regarding DSHS' administered programs.

DSHS is also in the process of updating internal policies to ensure all programs are aware of subrecipient monitoring functions.

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6259	7	Finding:	The Department of Social and Health Services is not complying with suspension and debarment requirements for some of the federal programs it administers.
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Resolution/Status: The Department of Social and Health Services (DSHS) concurs with this finding and has taken the following corrective action:

- ⌘ Developed a standard certification form to be used by the programs at DSHS,
- ⌘ Provided training on suspension and debarment federal regulations to contracting staff,
- ⌘ Obtained certifications from all Division of Child Support vendors receiving annual amounts of federal funds over \$100,000,
- ⌘ Included certification documents in all Medical Assistance Administration core provider agreement packages sent to new subrecipients or vendors as of May 1, 2001. Completion of the certification will be required prior to enrollment in the Medicaid program, and
- ⌘ Included the DSHS certification regarding debarment, suspension, ineligibility and voluntary exclusion in all Division of Alcohol and Substance Abuse contracts and subcontracts that include any federal funding, regardless of source.

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